

ADMINISTRATION AND FINANCE COMMITTEE

DATE: September 7, 2004

CALLED TO ORDER: 5:05 p.m.

ADJOURNED: 8:58 p.m.

ATTENDANCE

Attending Members

Jackie Nytes, Chairwoman
Vernon Brown
Becky Langsford
Lynn McWhirter
Lincoln Plowman
Steve Talley

Absent Members

Joanne Sanders

AGENDA

PROPOSAL NO. 483, 2004 – establishes new license and registration fees, increases some current fees, and increases the civil penalties for certain parking violations

BUDGET HEARING

Review and Analysis

PROPOSAL NO. 456, 2004 – adopts the annual budget for 2005 for the Consolidated City appropriating \$246,986,660 (Administration and Finance portion only)

PROPOSAL NO. 457, 2004 – appropriates \$38,734,141 for the necessary payments for City sinking funds for 2005

PROPOSAL NO. 458, 2004 – appropriates the amounts necessary for payments from the Revenue Bonds Debt Service Funds for 2005 totaling \$70,882,649

PROPOSAL NO. 461, 2004 – adopts the annual budget for 2005 for certain constitutional officers, administrative offices and agencies of Marion County appropriating \$71,055,696 (Administration and Finance portion only)

PROPOSAL NO. 465, 2004 – allocates certain miscellaneous revenues of the Consolidated City and Marion County to respective funds

PROPOSAL NO. 466, 2004 – determines the tax levy for 2005 for each fund of the Consolidated City and Marion County (Administration and Finance portion only)

PROPOSAL NO. 467, 2004 – authorizes the payment of certain dues for the City and County offices and agencies (Administration and Finance portion only)

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, September 7, 2004. Chairwoman Jackie Nytes called the meeting to order at 5:05 p.m., with the following members present: Vernon Brown, Becky Langsford, Lynn McWhirter, Lincoln Plowman, and Steve Talley. Absent was Joanne Sanders. Also present were Angela Mansfield and Earl Salisbury. Representing Council staff was Kent Burrow, Chief Financial Officer.

PROPOSAL NO. 483, 2004 – establishes new license and registration fees, increases some current fees, and increases the civil penalties for certain parking violations

Barbara Lawrence, City Controller, said that all the members of the committee received a memo on Proposal No. 483, 2004 on what they are seeking. She asked Amy McFadden, Deputy Controller, to go into more detail about the proposal. Ms. McFadden said this proposal is being submitted as part of the 2005 proposed budget. She discussed the presentation on Proposal No. 483, 2004 (Exhibit A). She said the building and fire inspections, regarding license and registration fees go to the Department of Metropolitan Development (DMD) and the actual fire department responsible of the inspection, because they are the ones that actually conduct those inspections. She said the kennel/pet store/stables and special event permit/right of way proposed fee is \$25.00 rather than \$20.00 because there is more than one department involved. She added that special event permits do not apply to block parties.

Councillor McWhirter asked if they collect the fee for fire inspections. Ms. McFadden replied in the affirmative and said they distribute the funds to the township that actually conducted the inspection. Councillor McWhirter said Wayne Township has never received any funds related to fire inspection. She said she is curious to know if any funds have been distributed to Wayne Township. Ms. McFadden said she will check into to it.

Chairwoman Nytes asked if the special event permit would apply to the Talbot Street Art Fair. Ms. McFadden replied in the affirmative and said these are events that actually block off City streets and require street cleaning, cones, etc.

Councillor Brown asked how the proposed fees compare to the actual cost of providing the service. Ms. McFadden said they looked at the cost of the people doing the processing, paper cost, postage, etc. Originally, the cost was a bit higher; therefore, they came to the conclusion that a \$20.00 fee would be fair. She said the maximum figure was around \$50.00 for each fee.

Councillor Plowman asked if the fees are annual. Ms. McFadden said a majority of the fees are annual other than the sound truck license fee, which is for each use and the taxi/limo operator which is a bi-annual fee.

Ms. McFadden said the \$12.50 parking fees will increase to \$15.00 and \$45.00 fee for violation of handicapped restrictions will increase to \$75.00. She said this is expected to generate \$ 232,000, and they are working with the Office of Corporation Counsel to increase collections and enforcement. She said they also compared these fees to Cities of similar populations, and Indianapolis ranks below other Cities in fees.

Chairwoman Nytes asked if they have received any feed back from Indianapolis Downtown, Inc. (IDI). Ms. Mc Fadden said IDI felt they should increase the fees even more, especially the handicapped restrictions. Chairwoman Nytes asked if IDI is ok with the other fee increases. Ms. McFadden replied in the affirmative.

Councillor Mansfield said she feels that the Controller's Office is being overly conservative with the fees and would be in support of an additional increase in handicapped restrictions.

Councillor Salisbury said an additional increase to handicapped restrictions may discourage others from parking in places that do not apply to them.

Councillor Talley moved, seconded by Councillor Brown, to amend Proposal 483, 2004, to increase the fee of handicapped violations to \$125.00. The motion carried by a vote of 6-0.

Councillor McWhirter asked for clarification on the proposed increase of fee on handicapped parking restrictions and parking meter zone. Ms. Lawrence said she wants to make sure that they are not assessing an increased fine on a handicapped individual that is parked legally but the meter has expired. Jonathan Bryant, Corporation Counsel, said the reason there are two handicapped provisions is because one is related to the meters and the other is related to the handicapped parking spaces.

Councillor Talley moved, seconded by Councillor Brown, to send Proposal No. 483, 2004, to the full Council with a "Do Pass as Amended" recommendation. The motion carried by a vote of 6-0.

BUDGET HEARING

Review and Analysis

PROPOSAL NO. 456, 2004 – adopts the annual budget for 2005 for the Consolidated City appropriating \$246,986,660 (Administration and Finance portion only)

Mr. Burrow said there is one amendment (Exhibit B) the Council Clerk would like to submit in reduction per testimony at the committee budget hearing.

Councillor Talley asked for Mr. Burrow to explain the reduction. Mr. Burrow said there was an increase in Information Services Agency (ISA) allocations expenses to the Council office prior to the budget being published. The Council Clerk then readjusted her budget to reflect those increased charges and reduced other appropriate areas.

Councillor Talley moved, seconded by Councillor Brown, to amend Proposal No. 456, 2004 as per Exhibit B. The motion carried by a vote of 6-0.

[Clerk's note: Exhibit B can be found with the original set of minutes in the Council office]

Councillor Talley moved, seconded by Councillor Brown, to send Proposal No. 456, 2004, to the full Council with a "Do Pass as Amended" recommendation. The motion carried by a vote of 6-0.

PROPOSAL NO. 457, 2004 – appropriates \$38,734,141 for the necessary payments for City sinking funds for 2005

Chairwoman Nytes asked if there were any amendments to this proposal. Ms. Lawrence replied in the negative. Chairwoman Nytes asked if they vote on the whole proposal. Ms. Lawrence said they vote on the General Obligation Bonds only in the proposal.

Councillor McWhirter asked if they are voting on the \$10 million transfer to the sanitary department in Public Works. Ms. Lawrence replied in the negative and said that was voted on in the Public Works Committee meeting. Chairwoman Nytes said this is to pay back the bond issues.

Councillor Talley moved, seconded by Councillor Brown, to send Proposal No. 457, 2004, to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

PROPOSAL NO. 458, 2004 – appropriates the amounts necessary for payments from the Revenue Bonds Debt Service Funds for 2005 totaling \$70,882,649

Chairwoman Nytes asked if there are any amendments or questions to this proposal. Ms. Lawrence replied in the negative.

[Clerk's note: Councillor Plowman left at 5:34 p.m.]

Councillor Talley moved, seconded by Councillor Brown, to send Proposal No. 458, 2004, to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

PROPOSAL NO. 461, 2004 – adopts the annual budget for 2005 for certain constitutional officers, administrative offices and agencies of Marion County appropriating \$71,055,696 (Administration and Finance portion only)

Marty Womacks, County Auditor, said the Auditor's office has technical changes to the proposal.

Chairwoman Nytes said they have motion to amend from the Auditor's and Council office, and one amendment offered by Councillor Mansfield.

Councillor McWhirter asked to see Councillor Mansfield's proposed amendment. Councillor Mansfield said that her amendment is verbal. Councillor McWhirter said she thought all amendments had to be in writing. Chairwoman Nytes asked the committee members to allow Councillor Mansfield's proposed amendment.

Chairwoman Nytes asked if there is any logical reasoning on which amendment to do first. Mr. Burrow said the Auditor's technical amendment should be made first.

Dan Jones, Deputy Auditor, said they have several amendments to Proposal 461, 2004 (Exhibit C). The first amendment they would like to propose is an increase in Character 01, Personal Services from \$1,745,397 to \$3,475,852, for an increase of \$1,730,455 to provide for the health insurance premiums. Chairwoman Nytes asked how they propose to fund the additional health insurance premiums. Mr. Jones said they have revenue amendments they would like to propose in Proposal No. 465, 2004.

Councillor Brown asked if the health insurance increases are for all employees. Mr. Jones said the increases are for civilian employees only.

Chairwoman Nytes said they can clearly see how they could fund \$ 1 million for health insurance and it would seem appropriate for them to amend Character 01 by adding the \$1 million. She said they would have until January 2005 to find the additional \$700,000.

Councillor McWhirter asked if the \$1.7 million was a concrete figure. Mr. Jones said the \$1.7 million is an estimate of what they believe next year's insurance plans are going to cost. Councillor McWhirter asked what the percentage of increase would be. Mr. Jones said this would be a 9.5% increase.

[Clerk's note: Councillor Plowman return at 5:45 p.m.]

Councillor Talley moved, seconded by Councillor Brown, to amend Proposal No. 461, 2004, section 1 as per Exhibit C. The motion carried by a vote of 6-0.

[Clerk's note: Exhibit C can be found with the original set of minutes in the Council office]

Mr. Jones said the second part of the motion is to make an adjustment to the Election Board budget. He said in Character 01, Personal Services the original request was for \$232,450, the new request is \$196,710. He said most of the appropriation will be transferred to Character 03, Other Services and Charges.

Chairwoman Nytes asked what the net impact would be due to the change. Mr. Jones said the change is \$461,000.

Councillor Talley moved, seconded by Councillor McWhirter, to amend Proposal No. 461, 2004, section 2 as per Exhibit C. The motion carried by a vote of 6-0.

Mr. Jones said the third part of the motion is to make an adjustment to the Warren Township Assessor's office budget. He said this will be a transfer between characters, an increase in Character 01, Personal Services of \$7,000 and the change in Character 03, Other Services and Charges will be a decrease of \$7,000.

Councillor Talley moved, seconded by Councillor Brown, to amend Proposal No. 461, 2004, section 3 as per Exhibit C. The motion carried by a vote of 6-0.

Mr. Jones said the last motion is a technical correction under Information Services Agency (ISA), the full-time equivalent should read 46.00 instead of 40.00.

Councillor Talley moved, seconded by Councillor McWhirter, to amend Proposal No. 461, 2004, section 4 as per Exhibit C. The motion carried by a vote of 6-0.

[Clerk's note: Exhibit D can be found with the original set of minutes in the Council office]

Mr. Burrow explained the amendment to Proposal 461, 2004 (Exhibit D) and said there are three changes to three different agencies within the County. Section 1, item (b) involves the County Auditor and reducing the County General Fund appropriations in Character 01, Personal Services and Character 03, Other Services and Charges. He said the reduction in Character 01 is \$120,000 and in Character 03 \$100,000. This will be a transferred from the County General Fund to the Endorsement Fee Fund (\$100,000) to the improvement to property records system and, the Sales Disclosure Fee Fund(\$20,000) to the sale disclosure fee forms. He said combined there is a \$220,000 reduction in the County General Fund. Due to the advertising deadlines in the newspaper; they cannot appropriate from those special revenue funds this evening, but he recommends the committee appropriate from those funds in January 2005.

Councillor McWhirter asked if Mr. Burrow is proposing to reduce the County Auditor's budget by \$220,000. Mr. Burrow replied in the affirmative and said the reduction is a split between Character 01 of \$120,000 and Character 03 of \$100,000. Councillor McWhirter asked if they anticipate the \$100,000 out of Character 03 to be replaced. Mr. Burrow said the \$100,000 in Character 03 will be replaced by the Endorsement Fee Fund.

Chairwoman Nytes asked Mr. Burrow to go over the amendment to Proposal No. 461, 2004, section 1, item (b) again.

Mr. Burrow said the \$100,000 from Character 01 and \$100,000 from Character 03 would be transferred to the Endorsement Fee Fund. He said currently the Endorsement Fee Fund has an estimated balance of \$522,739 and has a budget estimate of \$217,842 for next year.

Chairwoman Nytes said it is important to state why they are proposing the several amendments. She said it is not the intent to eliminate the funds to perform necessary functions, our dilemma now is the shortfall of funds in the County General Fund to provide resources for all County agencies, particularly in public safety. She said the Council has an

opportunity to transfer spending from the County General Fund to some of the special revenue funds and, in effect, rely more on the special revenues than in the past.

Mr. Burrow said section 1, item (d) of Proposal 461, 2004 is an amendment in the County Recorder's budget. The County General Fund is reduced from \$549,556 in Character 01, Personal Services to \$67,889.

Councillor McWhirter asked what the net difference is. Mr. Burrow said the net difference is \$481,467.

Mr. Burrow said section 1, item (j) of Proposal 461, 2004 is an amendment in the Center Township Assessor's budget. The reduction is a transfer appropriation from the County General Fund to the Property Reassessment Fund. He said the Center Township Assessor's Character 01, Personal Services is originally published as \$1,262,652 and the amendment would be to appropriate \$1,012,656 for a reduction of \$250,000. He said again due to advertisement deadlines they would need to wait to January 2005 to do an additional appropriation to restore the \$250,000 through the Property Reassessment Fund to the Center Township Assessor's budget. Mr. Burrow said these three items together will be a reduction in the County General Fund spending of \$951,667.

Councillor McWhirter asked if the Center Township Assessor is here tonight. Ms. Womacks said they are not here tonight but it was her understanding they are not supportive of these changes. She said they have been working very hard in moving forward to a new property records system and she is disappointed that these funds are being eliminated. She said the only way the County receives revenue is through the work of the Assessors. If their system is broken this will have a strong effect on the revenue.

Councillor McWhirter asked if the County is anticipating being ready to purchase the new property system next year. Ms. Womacks replied in the affirmative and said they have been meeting several times a week regarding to what each office's needs would be.

Councillor McWhirter asked where the \$951,000 is going. Mr. Burrow said the \$951,000 is going to fund a variety of public safety budgets, mainly the Sheriff's public safety budget, which is \$13.5 million under funded. Councillor McWhirter asked if the total \$951,000 is going to the Sheriff. Mr. Burrow said there are a variety of spending cuts in several different committees. He said in addition to other requests, it is a priority to see that the public safety agencies be properly funded. Councillor McWhirter asked if the information is available to see where the \$951,000 is going. Councillor Talley asked if he can be ensured the \$951,000 is going to fund some portion of the various agencies in public safety. Mr. Burrow replied in the affirmative and said that is the direction and priority that he has been given. Chairwoman Nytes said the goal for tonight's meeting is to free funds that can be allocated at the Public Safety Committee meeting this week.

Chairwoman Nytes said this committee is in support of the new property records system. She said even with these actions tonight; there still will be a healthy balance in these funds; therefore, there will be some resources to make an initial investment in the property records system. Ms. Womacks said the \$5 million in the Recorder's Perpetuation Fund cannot totally be used for the property records system. She said the Reassessment Fund, the Endorsement Fee Fund, and a portion of the Recorder's Perpetuation Fund would be the place to fund the property records system. Chairwoman Nytes said the dilemma they are facing today is public safety cost and tax increases vs. using bond issues for the property records system next year.

Mr. Burrow said he spoke with the Center Township Assessor earlier in the day and went through the changes. He said the Assessor agreed to consent to the transfer and suggested that approximately 30% of his budget would be involved in some form of reassessment.

Paul Ricketts, Lawrence Township Assessor, said they have been trying to build up fund balances to allow them not to use bonds or borrow money on which they would have to pay interest. He said this is money that was appropriated for the property records system, and they are moving forward with the State. He said there are some serious problems with the property records system. There is a new rule going into effect that will have reassessments done every year. He said the Endorsement Fee Fund does not belong to the Auditor. There is another statute that states in Marion County the Township Assessor performs those functions. Their legal opinion is that the money is not the Auditor's and belongs in the Assessor's funds. He said they are being handicapped if they do not receive the property records system. He said if they are going to bond for the funds, he would like to see everyone's support for the bond, because they are going to have the property records system next year. He said the existing property system is broken, and the township officials cannot perform their functions correctly.

Councillor Plowman asked if they have an estimate of what the new property records system is going to cost. Mr. Ricketts said if Marion County is willing to buy into another system and customize the system to work for Indiana, they would be able to receive the system a lot cheaper than in the open market, but he does not have the exact figure.

Councillor McWhirter asked if they feel comfortable that the Endorsement Fee Fund is for the Auditor to use. Mr. Burrow replied in the affirmative and said the Auditor is one of several officials that could use this fund. He said the Auditor has even appropriated from this fund. Ms. Womacks said the only reason they appropriated from the fund is when they worked on something with the Township Assessors. She said in Marion County the property changes are done in the Township Assessors' offices and not in the Auditor's office.

Joan Romeril, County Assessor, said if this property record system is not replaced they will not be able to do the work to create revenue. She does not believe that the existing system will be able to handle the reassessments every year. She said they also perform the calculation of the inheritance tax, and their office receives no proceeds for doing this; the City receives the funds.

Chairwoman Nytes asked what the role of Information Technology (IT) is in working on the property records system. Mr. Ricketts said they have assigned a project manager from Information Services Agency (ISA) to work with the different users.

Councillor Salisbury said getting an updated property records system is something they have to do.

Mr. Jones said he has a correction to Proposal 461, 2004 regarding the Warren Township Assessor's transfer. Chairwoman Nytes indicated this is the section on which they have already voted. Mr. Jones said they transferred \$7,000 to Character 01, Personal Services from Character 03, Other Services and Charges. He said their motion to amend has the wrong figure but Proposal No. 461, 2004, page 5 has the correct figure. Chairwoman Nytes asked if they could consider this to be a clarification and not have to make another amendment. Consent was given by committee members.

Councillor McWhirter asked what the new figure would be. Mr. Jones said the new total figure in Character 03 would be \$89,682.

Councillor Talley said he wanted to make clear that these amendments are not looked at as public safety vs. a new property records system.

Councillor Talley moved, seconded by Councillor Brown, to amend Proposal No. 461, 2004, per Exhibit D. The motion carried by a vote of 6-0.

Councillor McWhirter asked to explain her vote and said they have some immediate public safety needs that need to be addressed and agrees the property records systems needs to be done, and they will be working on funds for the system.

Councillor Mansfield introduced another amendment to Proposal 461, 2004 related to the Department of Corrections. She said currently Marion County's outstanding unpaid balance is over \$57 million dollars, this represents four years of past due bills. She said this something that we are required to do under Indiana State law. She said based on current proposals they have \$4 million that has not been accounted for in this year's levy, therefore she proposed to amend Proposal 461, 2004 to appropriate \$4 million for the payment of DOC.

Councillor Talley said he believes it is inappropriate for Councillor Mansfield to amend the proposal because she is not a member of the committee. He said he is moving to make the amendment. Councillor Talley moved, seconded by Councillor Brown, to amend Proposal 461, 2004, for an increase of \$4 million for a DOC payment.

Councillor Mansfield added that the \$4 million would be a one penny increase in the rate.

Councillor McWhirter said if she was to vote to raise the levy it would be for other sources rather than to pay DOC. She said she is unsure that this is the appropriate amount they should be paying the DOC.

Councillor Brown said he agrees with Councillor Mansfield that we need to pay our outstanding debt, but the County is faced with other dilemmas, and he would be interested in maybe a payment plan.

Chairwoman Nytes said she appreciates Councillor Mansfield bringing this issue to their attention but there are different opinions on how to handle this outstanding debt. She said there is a fair amount of information that needs to be reviewed before they proceed with any action on the DOC bills.

Councillor Talley moved, seconded by Councillor Brown, to “Table” the amendment to Proposal 461, 2004, for an increase of \$4 million for a Juvenile Corrections payment. The motion was carried by a vote of 5-1. Councillor Plowman cast the negative vote.

Councillor Plowman asked to explain his vote and said he has an issue of postponing these payments perhaps for many years.

Chairwoman Nytes asked if the two pay grades that are being eliminated are reflected in Proposal No. 461, 2004. Terry Nelson, Chief Deputy, replied in the affirmative. Chairwoman Nytes said this was done as a result of the salary study that the committee requested. Mr. Nelson stated this will eliminate A-12 and A-13, the two lowest pay grades that will be added into the next level of pay grades. Councillor Talley asked if new employees hiring in will get the new salary and those in the position now will not receive the pay raise. Mr. Nelson replied in the negative and said those employees in the two eliminated pay grades and new employees now will be in the B-21 level.

Councillor McWhirter asked if there are other changes as a result of the salary study. Mr. Nelson replied in the affirmative. Chairwoman Nytes said the other changes will have to be addressed in a separate discussion, because the committee had to act on the salary changes now.

Councillor Talley moved, seconded by Councillor Brown, to send Proposal 461, 2004, to the full Council with a “Do Pass as Amended” recommendation. The motion carried by a vote of 6-0.

PROPOSAL NO. 465, 2004 – allocates certain miscellaneous revenues of the Consolidated City and Marion County to respective funds

Mr. Burrow said section 2, item (z) of Proposal 465, 2004 is an amendment (Exhibit E) in the Information Services Internal Services Fund (page 24 in Proposal 465, 2004). He said this amendment will highlight resources for public safety. This proposal reduces the County’s

contributions to Information Services Agency (ISA) by \$1 million and will be credited to public safety and judicial county agencies. He said the

Sheriff has approximately \$500,000 in ISA charges, and this amendment will give a credit for 2005 only to the Sheriff in the amount of \$500,000 and also give a credit up to \$1 million to other public safety agencies and any money remaining to the County courts. He said this will free up \$1 million to be used for public safety purposes for appropriations in the Public Safety committee meeting.

Councillor McWhirter asked to hear from ISA in regards to losing \$1 million. Dave Mockert, Chief Officer, said they need to take in to account that ISA is going through a major restructure, change in vendor, and many other issues that could arise. He said they want to be fiscally responsible to the Council; however, they need to be careful that they have the funds to be able to perform their services.

Councillor McWhirter asked if the Sheriff would have to pay the \$500,000 to ISA for his charges. Mr. Burrow said their intent in the amendment is for the Sheriff not to pay the \$500,000.

Chairwoman Nytes asked Mr. Burrow to clarify the changes in ISA and that the County will actually pay less money to ISA. Mr. Burrow said they are spending down Information Services Internal Services Fund balance.

Chairwoman Nytes asked Ms. Lawrence if ISA is in a position with cash flow issues to be able to give some support. Ms. Lawrence said they will be helpful by being on time on their payments to ISA.

Councillor Langsford asked if money is taken away from ISA, will other agencies suffer. Ms. Lawrence replied in the negative and said ISA has a healthy fund balance. In essence there is going to be \$500,000 less coming into ISA from one segment, other agencies will continue to pay their bills.

Councillor Talley moved, seconded by Councillor Brown, to amend Proposal No. 465, 2004 as per Exhibit E. The motion carried by a vote of 6-0.

[Clerk's note: Exhibit E can be found with the original set of minutes in the Council office] Ms. Lawrence said they are offering to amend Proposal No. 465, 2004 (Exhibit F), because when the City submitted its budget, the City had received County Option Income Tax (COIT) certification. She said by getting the COIT certification they stand to lose \$3.2 million; therefore, this amendment makes the City portion of the allocation the same with the overall COIT distribution. Chairwoman Nytes said the figures could be found on page 26 of Proposal 465, 2004.

Councillor McWhirter asked how things are working out with the Police Pension Fund. Ms. Lawrence said they have actually found some funds and will be increasing the pension fund.

Councillor Talley moved, seconded by Councillor Brown, to amend Proposal No. 465, 2004 as per Exhibit F. The motion carried by a vote of 6-0.

[Clerk's note: Exhibit F can be found with the original set of minutes in the Council office]

Mr. Jones said the amendment to Proposal No. 465, 2004, section 2, paragraph A (Exhibit G) is a revenue adjustment. He said there is one change to the adjustment to the COIT, the increase to the County is \$778,033. The motion in Exhibit G had added that to the law enforcement pay, but they have since allocated those revenues to the Auditor's Office for employee health insurance. He said he would like to make the changes to modify page 12 of Proposal 465, 2004 in COIT. Chairwoman Nytes asked if this could be a technical correction. Consent was given by committee members. Chairwoman Nytes said in Exhibit G the page number should be page 12 instead of page 16. Mr. Jones said this will increase the original estimate from \$5,515,482 to a new estimate of \$6,293,515. He said the Care of Federal Inmates will be on page 16 and on page 17 the Security Chargeback figures will be found.

Chairwoman Nytes asked how they would account for some of the funds going to sub categories in the County General Fund. Mr. Burrow said the Auditor has broken out the County General Fund in three different sections and this will show property tax rates and miscellaneous revenue to the three different areas. He said in some ways the changes do make the amendment to the County General Fund a little burdensome. He said they could amend the County General Fund totals and then provide the split out afterwards for the purposes of the committee.

Councillor Talley moved, seconded by Councillor McWhirter, to amend Proposal No. 465, 2004 as per Exhibit G. The motion carried by a vote of 6-0.

[Clerk's note: Exhibit G can be found with the original set of minutes in the Council office]

Mr. Burrow said this is a request by the leadership of the Council and conversation with the Mayor and Controller to look for ways to fund public safety. He said one alternative in the proposed amendment is to use City fund balance to help assist the County General Property Tax Rate to further fund public safety. He said this amendment outlines why they can use the City Cumulative Capital Fund money and Consolidated County Cumulative Capital Fund money to free up additional revenues allocated to the County.

Chairwoman Nytes asked where these figures can be found. Mr. Burrow said they would be found on page 7 of Proposal 465, 2004. He said section (l) shows the transfer in the County Capital Lease Fund and section (m) shows the transfer to the Consolidated County Cumulative Capital Fund.

[Clerk's note: Chairwoman Nytes entertained a two minute recess]

Mr. Burrow said during the conversation with the Auditor and Controller it was decided that to properly reflect the transfers of the property tax rate in the County General Fund, the rates associated with the financial institution tax would also be transferred. Reducing the miscellaneous revenues of these funds, they would appropriate \$377,000 from the County General Fund to the Marion County Cumulative Capital Development Fund in section 2 of Exhibit H (the amendment). He said they need to show the transfer here because they are proposing a reduction in the tax rate later in Proposal 466, 2004.

Councillor McWhirter moved, seconded by Councillor Talley, to amend Proposal 465, 2004, section 2, as per Exhibit H. The motion carried by a vote of 6-0.

[Clerk's note: Exhibit H can be found with the original set of minutes in the Council office]

Councillor Talley moved, seconded by Councillor Langsford, to amend Proposal 465, 2004 as per Exhibit H. The motion carried by a vote of 6-0.

Councillor Talley moved, seconded by Councillor Langsford, to send Proposal 465, 2004, to the full Council with a "Do Pass as Amended" recommendation. The motion carried by a vote of 6-0.

PROPOSAL NO. 466, 2004 – determines the tax levy for 2005 for each fund of the Consolidated City and Marion County (Administration and Finance portion only)

Jeff Seidenstein, Budget Manager, Controller's office, said the City's amendment (Exhibit I) is a technical change to the taxes, levies, and miscellaneous revenues to reflect the changes voted on in Proposal No. 465, 2004.

Chairwoman Nytes asked if it is necessary that they update again to reflect the \$377,000. Mr. Seidenstein replied in the affirmative and said it is reflected on page 5 of Exhibit I and the only change would be to the tax rate. Mr. Jones said if consent is given this could be a technical correction.

Mr. Seidenstein said on page 2 of Exhibit I, the appropriation from the Consolidated County Fund are decreasing by \$20,000 and the fund balance is increasing by the same amount. He said on page 3, line 11 of Exhibit I, there is an increase in the original decrease to reflect the transfer of revenues to the County and the City Cumulative Fund. He said on page 4, section (m) of Exhibit I, shows a slight change in the miscellaneous revenue for the Consolidated County Cumulative Fund, due to the fact that the City no longer would be receiving approximately a \$3.9 million revenue transfer from County Cumulative Fund. They are replacing approximately the same amount with a transfer from the City Cumulative Fund. He said page 5 of Exhibit I, line 11 the County will no longer have a negative \$2.7 million but will have approximately \$1.1 million in miscellaneous revenue.

He said this is due to the County no longer giving the City funds from the County Cumulative Fund. He said they also have made reduction to the property tax of approximately \$3.9 million and they have cut the tax rate in half.

Councillor Plowman asked for clarification on how the Public Safety and Criminal Justice (PSCJ) Committee would handle this issue in their meeting. Chairwoman Nytes said they would have an opportunity to offer the solution. Mr. Burrow said they have actually prepared an amendment to vote on it tonight.

Mr. Seidenstein said during recess the Auditor expressed some concern about the operating balance of this account being a little less than originally proposed. Mr. Jones said they are not sure on how they are going to deal with the rate of the County Cumulative Fund. Mr. Seidenstein said the County's budget will remain the same, the only changes will be reflecting the revenues.

Councillor Plowman said if the Auditor's office is not clear on this amendment then, he does not see how he can approve this amendment.

Chairwoman Nytes said their budget is not changing, in fact instead of them having a negative amount in miscellaneous revenue, they will have a positive amount in revenues.

Ms. Lawrence said the County is actually keeping funds they normally would give the City.

Councillor McWhirter asked if there is some concern about cutting the tax rate in the Cumulative Fund. Mr. Jones said if they reduce the rate in the fund, they would have to reestablish the cumulative fund. Chairwoman Nytes asked how the reestablishment be done. Mr. Jones Council action would be needed.

Jim Steel, Consultant to the Auditor, said it is the Council's decision how to fund budgets. He said this proposed amendment seems to be workable. The concern would be on the cumulative fund rate. He said once the rate is decreased they cannot increase the rate next year.

Councillor McWhirter asked if they could postpone this amendment to give the County and the City an opportunity to make sure this is the only way to reach their goal. Chairwoman Nytes said if they do not act on the amendment tonight then PSCJ committee cannot act on the proposal at their meeting. Councillor McWhirter said she does not feel comfortable in voting on this amendment tonight.

Chairwoman Nytes directed committee members to page 5 of Exhibit I, line 11 and 12. She said both of these line items add up to approximately \$5 million and the proposed budget is under \$5.3 million. She asked if it is fair to assume that if the County is put in the same situation in 2006, the \$5 million will still be available to the County. Mr. Seidenstein

said the commitment to the County from the City is only issued for 2005. Ms. Lawrence said the County would still have their whole tax rate in the County General to meet their

needs. Mr. Burrow said the County General Fund would benefit from having the increased tax rate next year.

Councillor McWhirter asked the Auditor if they could handle the changes in this amendment. Ms. Womacks said she is not sure on the statute of shifting the cumulative tax rate after decreasing it. She could handle the changes if the agreement is clear that in the future the City will help restate the tax rate.

Councillor Talley said they do not know what is going to happen in 2006, but they do know what is going to happen in 2005 if they do not find funds for public safety. He said if they go ahead and pass the amendment out of committee, this would give them time to research the law on the tax rate and make changes on the Council floor.

Councillor McWhirter said she too would like to see the agreement with the County and City to insure the County will be able to maintain their funds.

Ms. Lawrence said the County is not losing tax rate. They are shifting tax rate to the County General Fund from the County Cumulative Fund. She said if they cannot restore their whole levy, they still will have benefits of the tax rate in the County General. Chairwoman Nytes added that by putting the tax rate in the County General, they move closer to the County's maximum levy.

Councillor Talley moved, seconded by Councillor Brown, to amend Proposal 466, 2004 as per Exhibit I. The motion carried by a vote of 6-0.

[Clerk's note: Exhibit I can be found with the original set of minutes in the Council office]

Mr. Burrow said the last amendment to Proposal 466, 2004 (Exhibit J) is due to changes in Proposal 461 and 465, 2004. Line 10 of Exhibit J has decreased by approximately \$1.9 million. He said in line 12 of Exhibit J there is an increase of the amount of property tax to be raised to approximately \$5 million. The operating balance in line 13 of Exhibit J would also increase due to the increased property tax rate. Chairwoman Nytes asked if the figures also include the additional steps this evening for the \$1 million for County health insurance. Mr. Burrow replied in the negative and said that would be an additional budget appropriation and would lower the fund balance by \$ 1 million. Chairwoman Nytes asked if the revenues are added, too. Mr. Burrow said they would increase miscellaneous revenue and increase line 10 in Exhibit J for additional health insurance expenses.

Chairwoman Nytes asked for the exact numbers of those revenues. Mr. Jones said the increased revenues would be in the amount of \$887,433. He said this is not including the \$114,517 for the guards at the probation office. There will be an offset appropriation to use those funds. Chairwoman Nytes asked how they showing the funds for health insurance.

She asked if the revenues for the health insurance need to be appropriated for a public safety purpose. Mr. Jones replied in the affirmative and said this is to provide the guards at the probation office. Chairwoman Nytes asked in what way the amount is different. Mr.

Jones said if they add the \$114,517 that would equal the \$1 million. Chairwoman Nytes asked if they are going to be able to have the \$114,517. Mr. Jones replied in the affirmative and said there will be an additional appropriation for the Sheriff to pay for the guards. Chairwoman Nytes said when they were presenting the amendment, she did not understand that the money needed to be appropriated by the Sheriff. She said this was offered to them as available revenue. Chairwoman Nytes asked if they should use the money to fund health insurance would it reduce the amount of fund balance available for public safety. Mr. Burrow replied in the affirmative.

Councillor Talley said he is not willing to not fund health insurance for County employees. Councillor McWhirter said she agreed with Mr. Talley and wanted to make sure that money is not spent in PSCJ committee. Chairwoman Nytes asked if the committee members would like the money to remain in the Auditor's budget for health insurance. Consent was given by committee members. Mr. Burrow said he would view the changes in Exhibit J as technical corrections. Chairwoman Nytes said no action is needed on this amendment (Exhibit J).

Councillor Talley moved, seconded by Councillor Langsford, to send Proposal 466, 2004, to the full Council with a "Do Pass as Amended" recommendation. The motion carried by a vote of 6-0.

PROPOSAL NO. 467, 2004 – authorizes the payment of certain dues for the City and County offices and agencies (Administration and Finance portion only)

Chairwoman Nytes said this proposal could be perceived as micromanaging, but they do this every year. Chairwoman Nytes said to know the dollar amount of this proposal, they would need to add Character 03 of every budget for the City and County. She said this is more of an inventory of the budget.

Councillor Talley moved, seconded by Councillor Langsford, to send Proposal 467, 2004, to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

Councillor Talley moved, seconded by Councillor Brown, to have all technical errors corrected to reflect the actions of the Council. The motion carried by a vote of 6-0.

CONCLUSION

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 8:55 p.m.

Respectfully submitted,

Jackie Nytes, Chairwoman
Administration and Finance Committee

JN/as